

**Account Number** - the accounting designation for revenue and expenditure line items. The account number consists of a two-digit fund number, a four-digit division and a five-digit sub-account number. Example: II -4311-121 -00 General Fund Police/Administrative Services - Salaries and Wages.

**Ad Valorem Tax** - A tax based on the assessed value of real estate or personal property.

**Administrative Service Fee** - revenue paid to the General Fund by enterprise funds for administrative services provided such as payroll and purchasing.

**Annual Budget** - a budget covering a single fiscal year (July 1 - June 30).

**Appropriation** - an authorization made by the legislative body of a government, which permits officials to incur obligations to make expenditures of governmental resources. An appropriation is limited in amount and to the time when it may be expended.

**Assessed Value** - the value established for real or personal property as determined by the county tax assessor's office and used as the basis for levying property taxes.

**Assessment** - the process for determining values of real and personal property for taxation purposes.

**Balanced Budget** - a budget in which the estimated revenues equal the estimated expenditures.

**Bond** - a written promise to pay a specific amount of money within a specific time period, usually long-term. Bonds are typically issued to fund specific capital improvement expenditures.

**Budget** - a comprehensive financial plan, which includes estimated revenue and expenditures for a fiscal year. Most local governments have two types of budgets - the *operating* budget and the *capital improvement* budget. N.C. State Statutes mandate a balanced budget for cities.

**Budget Calendar** - schedule of key dates or milestones which the City follows in preparation and adoption of the annual budget. The budget calendar must comply with the General Statute requirements that a balanced budget be adopted by July 1 of each year.

**Budget Message** - a letter of transmittal for the proposed budget prepared by the City Manager and addressed to the governing board which addresses the important features of the budget, changes in programs or appropriation levels from previous years and the City Manager's recommendations.

**Budget Ordinance** - a schedule adopted by the City Council, which lists revenues by source, appropriations by department or fund, and levies taxes for the coming fiscal year.

**Capital Outlay** - an item expected to have a useful life of greater than one year or an estimated value of \$500 or more. Capital Outlay includes such purchases as heavy-duty equipment, vehicles, computers, or construction materials for small projects.

**Capital Improvement Program (CIP)** - a program which proposes the development, modernization or replacement of physical public projects over a multi-year period. The CIP arranges these projects sequentially based on priorities and assigns an estimated cost and method of financing each project.

**Capital Project** - a project expected to have a useful life greater than three years and an estimated total cost of \$30,000 or more. Capital projects include the construction, purchase or major renovation of buildings, utility systems, streets or other structures, purchase of land, major landscaping projects; and purchase of new motorized equipment.

**Challenge-Handshake Authentication Protocol (CHAP)** - an authentication scheme used by Point to Point Protocol (PPP) servers to validate the identity of remote clients.

**Community Development Block Grant (CDBG)** - A Federal domestic assistance grant administered by the US Department of Housing and Community Development (HUD) to develop viable urban communities by providing decent housing and a suitable living environment for persons of low and moderate income.

**Contingency** - an account in which funds are set aside for unforeseen expenditures which may become necessary during the year and which have not been provided for in the context of the annual operating budget.

**Debt Service** - payment of interest and repayment of principal to holders of a government's debt instruments (bonds and loans),

**Department** - a major administrative division of the City, which indicates overall management responsibility for an operation, or a group of related operations within a functional area.

**Division** - a unit, within a department, which participates in specific activities.

**Department of Transportation (DOT)** - State of North Carolina agency responsible for maintenance of roadways not directly the responsibility of the City.

**Encumbrances** - obligations in the form of purchase orders or contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved (they become expenditures when paid).

**Enterprise Fund** - a fund established to account for operations financed in a manner similar to private business enterprise. Fees are charged to the consumers (general public) of the service to completely or partially recover the expenses of the operation. The City of Rocky Mount has four enterprise funds: Electric, Gas, Water and Sewer.

# Glossary

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**Expenditure** - the payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

**Fiscal Year (FY)** - a twelve-month period of time to which the annual budget applies. The City of Rocky Mount's fiscal year begins July 1 and ends June 30 of the following calendar year as required by state law.

**Fixed Asset** - tangible property owned by the City having a monetary value of \$500 or greater and a useful life of one year or more.

**Focus Areas** - key elements from the Vision Statement for City of Rocky Mount which are grouped to formulate the following four focus areas which are discussed in the Focus Areas and Action Plans section of this budget:

- *Economic Development*
- *Building Relationships*
- *City Services, Organizations, and Infrastructure*
- *Neighborhoods*

**Forecast** - an estimate of revenue and expenses for the current fiscal year to be used to determine the expected balances at the end of the year.

**Fund** - an independent fiscal and accounting entity used to record the financial activity for a selected financial grouping. A fund is set up to carry out a special function or attain certain objectives in accordance with set laws and regulations.

**Fund Balance** - the excess of current assets over the current liabilities for each fund at the end of each fiscal year. A negative fund balance is called a deficit.

**General Fund** - used to account for the ordinary operations of the City, which are financed, from taxes, other general revenues, contributions, grants, transfers from other funds and reimbursements. Basic government services, such as police, fire, parks and street maintenance are accounted for in this fund.

**General Obligation Bonds** - a written promise to pay a specified sum of money at a specified date in the future together with periodic interest at a specific rate. It is an obligation of the local government entity guaranteed by the taxing ability of that government unit and usually requires voter approval.

**Geographic Information System (GIS)** - GIS is a computer-based technology that is used to automate, manipulate, analyze, and display geographic (spatial) data in digital form.

**GFOA** - Government Finance Officers Association; Government Finance Officers Association - professional association of state/provincial and local finance officers dedicated to the sound management of public funds.

**Grant** - a contribution of assets (usually cash) by a governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. They are usually designated for specific purposes.

**Infrastructure** - facilities on which the continuance and growth of a community depend, such as roads, water lines, plants, etc.

**Intergovernmental Revenues** - income received from other governments (state, federal, local), which can be in the form of grants, shared revenues, or entitlements

**Lease/purchase agreement** - a contract granting use of property or acquisition of equipment during a specified period of time in exchange for a specified amount with an option at the end of that period of time to buy the property.

**Levy** - the amount of tax, service charges and assessments imposed by a government.

**Life Safety/Emergency Management (LSEM)** – division within Fire Department charged with coordinating programs that encompass an overall plan to reduce life and property loss due to fire and emergency incidents through plan reviews, code enforcement, and educational programs.

**Line Items** - units of budgeted expense set up within each division used to classify expenditures by item or category and establish the permissible level of expenditure for that item.

**Modified accrual** - the accounting basis used by the City. Under this basis, expenditures are recognized when encumbered and revenues are recognized when they are collected.

**National Incident Management System (NIMS)** - provides a consistent nationwide template to establish Federal, State, tribal and local governments and private sector and nongovernmental organizations to work together effectively and efficiently to prepare for, prevent, respond to and recover from domestic incidents, regardless of cause, size or complexity, including acts of catastrophic terrorism. NIMS benefits include a unified approach to incident management; standard command and management structures; and emphasis on preparedness, mutual aid and resource management.

**Operating budget** - a plan of financial operation, which encompasses an estimate of proposed expenditures for the calendar year and the proposed means of financing them (revenues).

**Purchase Gas Adjustment (PGA)** – rate adjustment policy adopted by Council that enables the adjusting of the customer rate for natural gas usage to be adjusted monthly based on the wholesale purchase price incurred by the gas utility.

**Performance Measures** – Indicators of performance (i.e., outcome, efficiency, output, customer service, productivity).

**Proprietary Funds** - funds operated like a business and charging user fees. Enterprise Funds fall within this classification.

**Referendum** - the presentation of an issue to the voters of the City where a majority of voters decide on the issue.

**Revenue** - income received by the City from various sources used to finance government or enterprise operations. Examples of revenue include ad valorem taxes, permit fees, interest income and utility charges.

**Revenue Assumptions** – determinations of revenue trends made utilizing long-standing trends, typically required when minimal present information on revenue influences are available and a quantifiable future outlook is uncertain.

**Revenue Bonds** - when a government issues bonds, which do not pledge the full faith and credit of the jurisdiction, it issues limited liability revenue bonds. Typically, pledges are made to dedicate one specific revenue source from some future period.

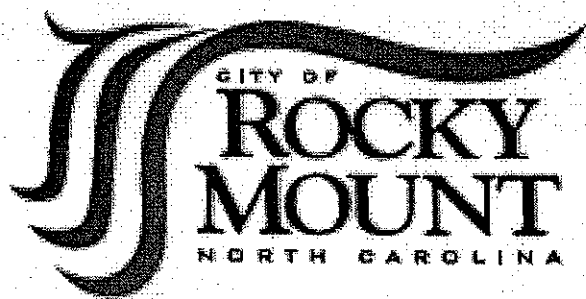
**Revenue Estimates** - a formal estimate of how much revenue will be earned from a specific revenue source from some future period.

**Tax Base** - the total assessed valuation of real property within the City limits.

**Tax Rate** - the amount of tax levied per \$ 1 00 assessed valuations.

**User Charges** - the payment of a fee for direct receipt of a public service by the person benefiting from the service such as inspection fees, recycling fees and utility reconnection fees. Can also be called user fees.

**Winter Assistance for Rocky Mount (WARM)** – assists low income customers in paying past due heating expenses. Eligibility is based on household income and an immediate need. The program is funded solely on donations from CRM utility customers, business, organizations, and anyone who would like to help.



CITY OF ROCKY MOUNT  
2007-08 BUDGET ORDINANCE

BE IT ORDAINED by the City Council of the City of Rocky Mount:

**Section 1.** It is estimated the following revenues will be available during the fiscal year beginning July 1, 2007 and ending June 30, 2008 to meet the subsequent appropriations according to the following schedules:

**REVENUES**

<b>A. GENERAL FUND:</b>	
Tax Revenue	\$ 17,901,000
Intergovernmental Revenues	14,976,900
Program Revenue	355,220
Licenses & Permits	1,039,000
Sales & Service	7,602,900
Investments	774,000
Miscellaneous	874,900
Transfers from Other Funds	3,238,350
Leases	2,003,000
Fund Balance	<u>1,600,000</u>
Total General Fund	\$ 50,365,270
<b>B. POWELL BILL FUND:</b>	
Intergovernmental Revenues	\$ 2,006,000
Investments	100,000
Miscellaneous	<u>25,000</u>
Total Powell Bill Fund	\$ 2,131,000
<b>C. E-911 FUND</b>	
Intergovernmental Revenue	\$ 355,000
Investments	<u>35,000</u>
Total E-911 Fund	\$ 390,000
<b>D. DEBT SERVICE FUND:</b>	
Transfers	<u>\$ 2,631,285</u>
Total Debt Service	\$ 2,631,285
<b>E. ELECTRIC FUND:</b>	
Sales and Services	\$ 80,860,000
Investments	332,665
Leases	1,111,000
Miscellaneous	<u>1,017,700</u>
Total Electric Fund	\$ 83,321,365
<b>F. GAS FUND:</b>	
Gas Sales and Services	\$ 29,285,000
Investments	235,000
Leases	205,000
Appropriation - Working Capital	<u>324,968</u>
Total Gas Fund	\$ 30,049,968
<b>G. WATER FUND:</b>	
Water Sales and Services	\$ 9,907,000
Investments	107,000
Miscellaneous	<u>92,872</u>

Fund Balance Appropriated	276,859
License and Permits	<u>70,000</u>
Total Water Fund	\$ 10,453,731
<b>H. SEWER FUND:</b>	
Sewer Services	\$ 11,004,000
Investments	70,000
Miscellaneous	414,636
License and Permits	20,000
Leases	<u>1,285,000</u>
Total Sewer Fund	\$ 12,793,636
<b>I. STORMWATER FUND:</b>	
Utility Sales	\$ 2,712,000
Investments	72,000
Interfund Transfer	300,000
Lease Proceeds	<u>357,000</u>
Total Stormwater Fund	\$ 3,411,000
<b>J. GENERAL CAPITAL PROJECTS FUND:</b>	
Tax Revenue	\$ 68,000
Intergovernmental	676,600
Sales & Service	262,400
Investments	2,000
Miscellaneous	376,000
Leases	<u>440,000</u>
Total General Capital Projects Fund	\$ 1,825,000

**TOTAL ALL FUNDS** **\$197,402,255**

**SECTION 2.** The following amounts are hereby appropriated for the operation of the city government and its activities for the fiscal year beginning July 1, 2007 and ending June 30, 2008 according to the following schedules:

**APPROPRIATIONS**

<b>A. GENERAL FUND:</b>	
Mayor and Council	\$ 1,446,034
City Clerk's Office	219,042
Community Services	769,030
City Manager's Office	806,281
Human Resources Department	1,457,607
Human Relations Department	299,036
Finance Department	1,330,123
Police Department	12,279,666
Fire Department	9,385,639
Public Works Department	11,290,720
Engineering Department	1,184,448
Planning & Development Department	1,656,468
Parks & Recreation Department	<u>8,241,176</u>
Total General Fund	\$ 50,365,270
<b>B. POWELL BILL FUND:</b>	
Street Improvements	\$ <u>2,131,000</u>
Total Powell Bill Fund	\$ 2,131,000
<b>C. E-911 FUND:</b>	
E-911 Center Maintenance/Services	\$ <u>390,000</u>
Total E-911 Fund	\$ 390,000



<b>D. DEBT SERVICE FUND:</b>	
Debt Redemption	\$ 2,631,285
Total Debt Service	\$ 2,631,285
<b>E. ELECTRIC FUND:</b>	
Electric System Operations	\$ 13,452,722
Purchased Power Cost	65,600,000
Communications Support	692,643
Transfer to Other Funds	1,500,000
Capital Projects	2,076,000
Total Electric Fund	\$ 83,321,365
<b>F. GAS FUND:</b>	
Natural Gas System Operations	\$ 4,749,968
Purchased Gas Cost	23,275,000
Transfer to Other Funds	1,125,000
Capital Projects	900,000
Total Gas Fund	\$ 30,049,968
<b>G. WATER FUND:</b>	
Water Treatment	\$ 6,547,659
Water Services	2,486,072
Transfer to Other Funds	475,000
Capital Projects	945,000
Total Water Fund	\$ 10,453,731
<b>H. SEWER FUND:</b>	
Sewage Treatment	\$ 7,791,050
Sewer Services	2,766,586
Capital Projects	2,236,000
Total Sewer Fund	\$ 12,793,636
<b>I. STORMWATER FUND</b>	
Administration	\$ 717,401
Stormwater Operations	2,073,599
Capital Projects	650,000
Total Stormwater Fund	\$ 3,441,000
<b>J. GENERAL CAPITAL PROJECTS FUND:</b>	
General Fund Projects	\$ 1,825,000
Total General Capital Projects Fund	\$ 1,825,000
<b>TOTAL ALL FUNDS</b>	<b><u>\$197,402,255</u></b>

**SECTION 3.** There are hereby levied the following rates of tax on each one hundred dollars (\$100) valuation of taxable property, as listed for taxes as of January 1, 2007 for the purpose of raising the revenue as set forth in Ad Valorem Tax Levy, General Fund, as set forth in the foregoing estimates of revenue, and in order to finance the foregoing appropriations:

General Fund (for the general expenses incident to the proper government of the City) -- \$0.55. Such rates of tax are based on an estimated total appraised value of property for purposes of taxation of \$3,266,000,000.

**SECTION 4.** There are hereby levied the following rates of tax on each one hundred dollars (\$100) valuation of taxable

property, as listed for taxes as of January 1, 2007 for the purpose of raising the revenue to finance improvements in Municipal Service District No. 1:

Special Tax (for the general expenses incident to the Municipal Service District No. 1) -- \$0.20. Such rates of tax are based on an estimated total appraised value of property for purposes of taxation of \$34,200,000.

SECTION 5. That the budget incorporates the authority of the Utilities to charge governmental services of the City of Rocky Mount cost based utility rates.

SECTION 6. That this budget is adopted in accordance to Section 6 of Administrative Policy III.3 with respect to Utility Fund Transfers.

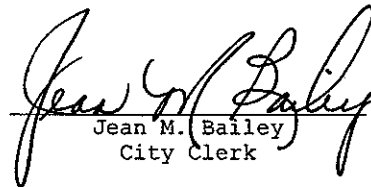
SECTION 7. That the Intergovernmental Service Fund for the Employee Health Insurance program has a financial plan with revenues of \$5,484,800 and expenditures of \$5,484,800.

SECTION 8. That the City Manager is authorized to transfer funds within the various funds but any transfer from one fund to another shall require approval of the City Council.

SECTION 9. That copies of this ordinance shall be furnished to the Director of Finance to be kept on file by her for her direction in the disbursement of City funds.

Introduced: 6-11-07

Adopted: 6-11-07

  
Jean M. Bailey  
City Clerk